

## Successor Coeur d'Alene Custodial Trust

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### Via E-mail

July 26, 2016

Ms. Beth Sheldrake  
U.S. EPA  
1200 Sixth Ave.  
Suite 900  
Seattle, WA 98115

Mr. Bill Adams  
U.S. EPA  
1200 Sixth Ave.  
Suite 900  
Seattle, WA 98115

SUBJECT: 2nd Quarter 2016 Report

Dear Beth and Bill:

Attached is the 2nd Quarter 2016 Report for the Successor Coeur d'Alene Custodial Trust. The report consists of:

- A bulleted narrative of remediation activities and asset management
- A budget and expenditure spreadsheet for the first quarter
- A summary spreadsheet showing the values of the three accounts
- The quarterly investment and bank account statements from BlackRock and Wells Fargo (sent to Bill with the hard copy of this report).

I certify that the reports are true and accurate to the best of my knowledge, information, and belief.

Sincerely,



Dan Silver  
Trustee

cc: Dan Meyer

Enclosures

## **Coeur d'Alene Trust Quarter 2<sup>nd</sup> Quarter 2016 Work Completed**

### **Program Management Assistance (#2016-02)**

- Managed Coeur d'Alene Trust databases and files.
- Coordinated with USEPA regarding environmental data transfer to Scribe database.
- Coordinated access agreements for Coeur d'Alene projects.
- Communications and prepared materials for Mine Ventures access agreement, reciprocal access agreement, environmental covenant, and supporting information.
- Prepared and submitted special waste sampling and handling memorandum to USEPA for review.
- Coordinated programmatic cultural resources compliance, reporting, and contracting.
- Coordination and meetings with USEPA, IDEQ, and Panhandle Health District regarding principal threat waste.
- Communications with USEPA regarding general project status, data management plan, and other requests.
- Prepared information for prioritization and cost estimating for 10-year budget projections.
- Met with the Executive Director of the Basin Commission to ensure closer communications.

### **EFNM WCA Expansion Construction and Waste Placement (#2016-03)**

- Reviewed contractor bid packages and selected contractor.
- Coordinated with and reviewed construction documents from NWCS.
- Completed bird survey and piezometer decommissioning with contractors.
- Completed site preparations for 2016 operations and waste acceptance.
- Installed new temporary roadway to 1-inch minus stockpile.
- Completed blasting at quarry.

### **Success Complex Construction (#2016-04)**

- Reviewed contractor bid packages and selected contractor.
- Coordinated with and reviewed construction documents from NWCS.
- Prepared Success Complex adit memo and submitted to USEPA for review.
- Prepared and submitted to USEPA revised design drawings that allow construction while avoiding the Success No. 3 adit area.
- Communications related to adit management during construction.
- Coordinated with HRA to produce Unanticipated Discovery Plan.
- Managed 401/404 document, wetland assessment, and cultural resources.
- Reviewed bids for the Success Complex remediation.
- Completed bird survey for site.

### **EFNM Basin Source Investigation and ARARs Support (#2016-05)**

- Prepared Upper EFNM QAPP Addendum and evaluated project cost.
- Managed 401/404 document, wetland assessment, and cultural resources.

**Operations and Maintenance for Completed Source Control Remedies (#2016-06)**

- Conducted monthly inspections at Rex Complex and prepared memoranda.
- Conducted bimonthly and high-flow inspections of the Osburn USBM site.
- Conducted inspection of Kahnderosa Campground and managed documentation of the inspection.

**Repository Operations – Lower Burke Canyon Repository (#2016-07)**

- Prepared and reviewed Cultural Resources reporting.
- Coordinated completion of rilling repairs.
- Reviewed hydroseed documentation and coordinated application on test plots.
- Prepared and performed review of vibrating wire piezometer memo.
- Prepared weekly report templates for repository contractor.
- Participated in public meeting regarding use of the LBCR for materials generated outside of the Canyon Creek Basin and reviewed public comments.
- Accepted and managed waste and performed monthly inspection.

**SVNRT/ LBCR Annex Design (#2016-7.2)**

- Met with USEPA to discuss next steps at the SVNRT Repository/ LBCR Annex.
- Reviewed comments from USEPA regarding SVNRT/ LBCR Annex alternatives.
- Coordinated and prepared RD Work Plan.

**Limited Use Repositories – Design, Operation, and Closure (#2016-08)**

- Prepared and conducted internal review of both the Shoshone County Transfer Station and the Zanetti Yard LUR design documents. Submitted documentation to EPA and IDEQ.
- Prepared ARARs for Shoshone County Transfer Station and Zanetti Yard LURs.
- Contractor prepared both LUR facilities and installed BMPs for waste acceptance.
- Performed inspections at LUR facilities.
- Reviewed contractor deliverables and CAD files for LURs.
- Conducted inspections at Shoshone County Transfer Station and Zanetti Yard LURs.
- Reviewed contractor submittals.
- Accepted and managed waste at the Zanetti Yard LUR.
- Closed Zanetti yard for the year after accepting road waste from area.

**Repository Operations – East Mission Flats Repository (#2016-09)**

- Prepared and submitted 2015 Operations Report to USEPA and IDEQ.
- Prepared and submitted 2016 Operations Plan to USEPA and IDEQ.
- Reviewed contractor deliverables.
- Accepted and managed waste and performed monthly inspection.

**Repository Operations – Big Creek Repository (including BCRA) (#2016-10)**

- Conducted bridge inspection.
- Prepared and submitted 2015 Operations Report to USEPA and IDEQ.
- Prepared and submitted 2016 Operations Plan to USEPA and IDEQ.
- Reviewed contractor deliverables.

- Accepted and managed waste and performed monthly inspection.

#### **BCR Repository Expansion and Cap Design (#2016-11)**

- Reviewed and submitted BCR East Expansion and Final Closure 30% Basis for Design Report and RD Work Plan to USEPA for review.
- Reviewed 2015 BCR Cultural Resources reporting.

#### **RA Effectiveness Monitoring and Other Water Monitoring (#2016-12)**

- Management and RA Effectiveness
  - Prepared Programmatic QAPP.
  - Prepared and submitted Special-Waste Sampling and Handling Procedures Addendum to USEPA for review.
  - Reviewed and communicated with USEPA regarding RA Effectiveness DQOs for Ninemile Basin.
  - Prepared site-specific RA Effectiveness monitoring plan for IC Rock Dumps.
  - Prepared access agreements.
- Canyon Creek and Ninemile Monitoring
  - Prepared for and conducted peak flow monitoring events.
  - Reviewed peak flow analytical, data validation, and contractor deliverables.
  - Prepared loading assessment for peak flow 2016 event.
  - Prepared and submitted Ninemile 2015 Monitoring Report to EPA.
  - Evaluated EFNW WCA preliminary water monitoring results.
- Repositories
  - Prepared scope of work (i.e., sample plan alteration forms) for EMFR and BCR and estimated project budget and contractor costs.
  - Conducted seep evaluation at LBCR Annex/SVNRT Repository.
  - Reviewed and imported Q2 sampling deliverables.
  - Conducted quarterly sampling and managed quarterly sampling laboratory analytical, data validation, and contractor deliverables for BCR/ BCRA.
  - Evaluated pH trends in Ninemile surface water.

#### **Lower Basin Pilot Projects (#2016-13)**

- Communications with USEPA and CH2M Smith regarding Lower Basin analytical and spatial data.
- Prepared figures and materials to inform USEPA at Technical Work Group meeting.
- Downloaded and managed analytical and spatial data for the Lower Basin received from USEPA and CH2M.
- Imported Kootenai County ownership data and created property ownership figures.
- Transferred Lower Basin sediment data from CH2M to Coeur d'Alene Trust database.
- Reviewed and discussed 2016 floodplain sampling plan.

#### **Remedy Protection Program (#2016-14)**

- Prepared and submitted to USEPA for review the final signed record drawings and O&M manuals for the Mill Road, Revenue Gulch, and South 2<sup>nd</sup> Street RP projects.
- Coordinated cultural resources reviews via the HPMP methodology and evaluated project compliance with ARARs

- Cross-checked and prepared responses for the Mill Creek 100% design against comments from USEPA and IDEQ.
- Reviewed mouth of Ninemile hydrology model and prepared comments for USEPA to inform any additional evaluation of flooding and scour.
- Reviewed the Hunt Gulch and Rosebud Gulch Remedy Protection projects 30% designs and crosschecked the final 30% designs prior to transmittal to USEPA.
- Prepared response to 401/404 comments on Copper Street/ Boulder Creek projects from USEPA.
- Finalized and submitted to USEPA the South 2<sup>nd</sup> Street Construction Summary Memorandum.
- Prepared Copper Street/ Boulder Creek and Mill Creek Remedial Action Work Plans including Construction Quality Assurance Plans and submitted to USEPA.
- Prepared bid package for Copper Street and Boulder Creek project and advertised the work to select pre-approved bidders to solicit bids for the work.
- Prepared Copper Street and Boulder Creek bid addenda.
- Prepared bid package for Mill Creek project and advertised the work to select pre-approved bidders to solicit bids for the work.
- Prepared Mill Creek bid addenda.
- Collected and scored bids for 2016 Copper Street/ Boulder Creek and Mill Creek projects.
- Prepared and attended pre-bid construction meetings for Copper Street/ Boulder Creek and Mill Creek projects.
- Coordinated with and resolved construction phase scheduling with the contractors for both Copper Street/ Boulder Creek and Mill Creek projects.
- Prepared draft contractor work orders for Trust for Copper Street/ Boulder Creek and Mill Creek.

#### **Basin Property Remediation Program (#2016-15)**

- BPRP construction, sampling and plot plan work for 2016 has continued. The Trust began performing the sampling and plot plan segments of work in May 2016.
- A total of 21 individual properties were sampled comprising a total 418 soil samples, 3 vacuum dust samples, and 8 drinking water samples.
- Completed remediation on a total of 15 properties.
- 17 additional properties are in process of remediation.
- Property negotiations and walkthroughs will be conducted to incorporate additional properties into the 2016 program.

#### **Roadway Improvement Program Design and Construction (#2016-16)**

- Continued to work with the Roads Board to update the 2016 roads program budget and scope of work for each of the communities.
- Worked through the Roads Board and the individual communities to provide reimbursement for roadway Engineering, Project Administration and Construction activities completed by the Cities of Osburn, Wallace, Mullan, and Shoshone County.

## Asset Management

- In the course of paying 2015 property taxes, the Trust discovered that one parcel intended for conveyance to the Coeur d'Alene Tribe had not been conveyed by Kootenai County. A new quitclaim deed was filed.
- Peterson Sullivan LLP completed their annual audit of the Trust, which was subsequently distributed to EPA.
- After reviewing proposals and interviews of four firms, the Trust selected Black Rock Investors to continue providing the Trust's investment platform. The basic investment strategy remains the same in 2016. This is the most conservative posture the Trust has taken since inception, e.g. 43% of the holdings are in fixed income.
- The Trust's bookkeeper retired. Bookkeeping services have been shifted to the Kellogg office.
- The Trust filed required notification documents for the 401K Plan.
- The Trustee secured a two-year extension of trustee insurance, the cost of which is borne by four trusts.
- The Trust spent \$2.288m in remediation costs during the quarter. The value of the Trust at the end of the quarter was \$494.8m, which reflects a net increase of \$7.3m for the quarter and \$11.4m for the year-to-date.
- At the end of June the Trust was well within the budget parameters. Due to significant savings in the expected construction costs for WCA and the Success remediation, the Trust currently projects an end-of-the-year balance of \$4.1m.

## Coeur d'Alene Trust 2016 Expenditures and Projected Year-End Balance

June 30, 2016

Project No.	Task	EPA-Approved Budget	Expended To Date 2016	EPA Authorized Budget Remaining	Percent of EPA Budget Expended	Projected Total 2016 Cost	Projected End-of-Year Balance	Notes
<b>Coeur d'Alene Trust Program Management</b>								
2016-01	Trust Administration	\$875,000	\$363,322	\$511,678	42%	\$875,000	\$0	
2016-02	Program Management Assistance	\$240,000	\$58,713	\$181,287	24%	\$240,000	\$0	
<b>Source Control Sites</b>								
2016-03	EFNM WCA Expansion Construction and Waste Placement	\$5,674,000	\$38,648	\$5,635,352	1%	\$3,347,502	\$2,326,498	Original EPA approved budget was \$5,674,000 after bids received, projected total is \$3,347,502.
2016-04	Success Complex Construction	\$3,960,000	\$95,666	\$3,864,334	2%	\$2,495,380	\$1,464,620	Original EPA approved budget was \$3,960,000 after bids received, projected total is \$2,495,380.
2016-05	EFNM Basin Source Investigation and ARARs Support	\$110,000	\$19,494	\$90,506	18%	\$157,008	-\$47,008	Additional \$50K needed to support predesign and source characterization of the Interstate Mill Site.
2016-06	Operation and Maintenance for Completed Source Control Remedies	\$145,000	\$17,326	\$127,674	12%	\$100,585	\$44,415	Additional \$30K needed for spraying weeds.
<b>Repositories</b>								
2016-07	Repository Operations-Lower Burke Canyon Repository	\$235,000	\$20,321	\$214,679	9%	\$241,290	-\$6,290	Additional funds for repository operations are needed.
2016-07.1	PTM Material Storage/Disposal Design	\$0	\$0	\$0	0%	\$25,000	-\$25,000	Budget item added for new task.
2016-07.2	SVNRT/LBCR Annex Design	\$0	\$0	\$0	0%	\$260,578	-\$260,578	Budget item added for new task.
2016-08	Limited Use Repositories-Design, Operations, and Closure	\$250,000	\$27,354	\$222,646	11%	\$269,312	-\$19,312	Developed two LUR's.
2016-09	Repository Operations-East Mission Flats	\$305,000	\$995	\$304,005	0%	\$305,000	\$0	
2016-10	Repository Operations-Big Creek (including BCRA)	\$500,000	\$3,695	\$496,305	1%	\$500,087	-\$87	
2016-11	BCR Repository Expansion and Cap Design	\$470,000	\$173,822	\$296,178	37%	\$415,890	\$54,110	
<b>RA Effectiveness Monitoring and Other Water Monitoring</b>								
2016-12	RA Effectiveness Monitoring and Other Water Monitoring	\$360,000	\$212,680	\$147,320	59%	\$521,500	-\$161,500	Added BCR & EMF water quality monitoring.
<b>Lower Basin Pilot Projects</b>								
2016-13	Unspecified Lower Basin Pilot Projects(s)	\$200,000	\$26,026	\$173,974	13%	\$200,000	\$0	
<b>Remedy Protection Program</b>								
2016-14	Design and Construction of Remedy Protection Projects	\$2,879,500	\$282,509	\$2,596,991	10%	\$2,879,500	\$0	
<b>Basin Property Remediation Program</b>								
2016-15	Basin Property Remediation Program-Including Large Commercial Properties	\$4,000,000	\$285,992	\$3,714,008	7%	\$4,000,000	\$0	
<b>Roadway Improvement Program</b>								
2016-16	Design and Construction of Roadway Improvement Projects	\$3,000,000	\$102,384	\$2,897,616	3%	\$2,689,380	\$310,620	
2016-17	Contingency	\$250,000	\$0	\$250,000	0%	\$0	\$250,000	
2016-18	Diesel Emissions Program	\$230,000	\$0	\$230,000	0%	\$19,436	\$210,564	
<b>Total</b>		<b>\$23,683,500</b>	<b>\$1,728,948</b>	<b>\$21,954,552</b>		<b>\$19,542,448</b>	<b>\$4,141,052</b>	

**Coeur d'Alene Trust  
Account Values  
2nd Quarter 2016**

	<b>2nd Quarter 2016</b>				
	<i>General Work Account</i>	<i>Special Work Account</i>	<i>Custodial Account</i>	<i>2nd Q Totals</i>	<i>2016 Totals</i>
<b>Beginning Account Value</b>	<b>\$ 444,127,945</b>	<b>\$ 43,240,620</b>	<b>\$ 50,013</b>	<b>\$ 487,418,578</b>	<b>\$ 483,370,823</b>
<b><i>BlackRock Investment Accounts</i></b>					
Beginning Account Value	\$ 433,859,306	\$ 43,240,620	\$ -	\$ 477,099,926	
Change in Value	\$ (1,257,000)	\$ 878,470	\$ -	\$ (378,530)	
Subtotal: Ending Balance	\$ 432,602,306	\$ 44,119,090	\$ -	\$ 476,721,396	
<b><i>Wells Fargo Commercial Checking</i></b>					
Beginning Account Value	\$ 4,744,514			\$ 4,744,514	
Credits	\$ 4,502			\$ 4,502	
Debits	\$ (2,288,084)			\$ (2,288,084)	
Subtotal: Ending Balance	\$ 2,460,932			\$ 2,460,932	
<b><i>Wells Fargo Commercial Savings</i></b>					
Beginning Account Value	\$ 5,524,124		\$ 50,013	\$ 5,574,137	
Deposit from Investment Acct.	\$ 10,000,000			\$ 10,000,000	
Transfer to Checking				\$ -	
Interest	\$ 3,785		\$ 6	\$ 3,792	
Subtotal: Ending Balance	\$ 15,527,909		\$ 50,019	\$ 15,577,929	
<b>Quarter End Account Value</b>	<b>\$ 450,591,147</b>	<b>\$ 44,119,090</b>	<b>\$ 50,019</b>	<b>\$ 494,760,256</b>	<b>\$ 494,760,256</b>
<b>Quarterly/Annual Change in Value</b>				<b>\$ 7,341,678</b>	<b>\$ 11,389,433</b>